



2355834

RAC Insurance Limited
Report and Financial Statements
Year ended 31 December 1992

RAC Insurance Limited
Annual report and financial statements for the year ended 31 December 1992

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Directors

J D Rose
P N Guy
D K Johnston
M J Limb
J A Williams

Secretary

H Kemlo

Registered office

RAC House
Brent Terrace
London
NW2 1LT

Company no.

2355834

Auditors

Stoy Hayward
8 Baker Street
London W1M 1DA

Report of the Directors RAC Insurance Limited

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The directors present their report and the audited financial statements for the year ended 31 December 1992.

Results, trading review and dividends

The profit and loss account is set out on page 2 and shows the result for the year. The directors are satisfied with the result and propose that no dividend be paid for the year.

Principal activities

The principal activity of the company is the provision of insurance under classes 16 to 18 of General Insurance as defined by Section 1 of the Insurance Companies Act 1982.

There have been no events since the balance sheet date which materially affect the position of the company.

Share capital

Changes in share capital are set out in note 11 to the financial statements.

Directors

The following have served as directors of the company during the year:

J D Rose CBE

P N Guy FCA

D K Johnston

M J Limb FBIM FIMI

J A Williams TD LENG FIML FIHT

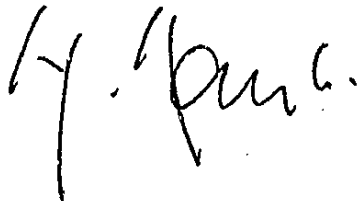
None of the directors has any beneficial interest in the shares of the company.

Auditors

The auditors, Stoy Hayward, have expressed their willingness to continue in office, and a resolution to that effect will be proposed at the Annual General Meeting.

By Order of the Board

H Kemlo
Secretary



31 March 1993

Profit and Loss Account
For the year ended 31 December 1992

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	Notes	1992 £	1991 £
Underwriting profit(loss)	1&2	174,508	(386,763)
Investment income	3	603,193	364,587
Profit(loss) on ordinary activities before taxation	4	777,701	(22,176)
Taxation charge/(credit)	5	257,859	(9,406)
Profit(loss) on ordinary activities after taxation and retained for the year	12	519,842	(12,770)

The notes on pages 4 to 6 form part of these financial statements.

Balance Sheet
At 31 December 1992

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	Notes	1992 £	1991 £
Current assets			
Debtors	6	2,962,365	963,649
Investments	7	6,789,003	4,948,612
		9,751,368	5,912,461
Creditors; amounts falling due within one year	8	(621,377)	(1,676,102)
Net current assets		9,129,991	5,236,359
Provisions for liabilities and charges:			
Deferred taxation	9	(19,234)	-
Accruals and deferred income	10	(4,956,012)	(3,101,456)
		4,154,745	2,134,903
Capital and reserves			
Share capital	11	3,500,000	2,000,000
Profit and loss account	12	654,745	134,903
		4,154,745	2,134,903

The notes on pages 4 to 6 form part of these financial statements.

The financial statements were approved by the Board on 31 March 1993.

J D Rose Chairman

P N Guy Director

Notes to the Financial Statements

For the year ended 31 December 1992

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1 Accounting policies

There have been no changes in the accounting policies during the year. The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following policies have been adopted:

Premiums received and acquisition expenses The company apportions premiums and commissions over the life of the policies written.

Deferred taxation The company provides deferred taxation using the liability method in respect of all short-term timing differences and all other material timing differences to the extent that a liability will crystallise.

2 General insurance revenue account

	1992 £	1991 £
Gross premiums written	13,680,165	9,329,793
Less: reinsurance	124,205	110,996
Net premiums written	13,555,960	9,218,797
Unearned premiums		
At beginning of year	3,101,456	183,531
At end of year	(4,956,012)	(3,101,456)
Net premiums earned	11,701,404	6,300,872
Claims	(7,803,775)	(4,763,113)
Commissions	(2,488,323)	(1,914,683)
Deferred acquisition expenses	634,149	513,826
Claims handling costs	(1,187,673)	(472,841)
Management expenses	(681,274)	(50,824)
Underwriting profit/(loss)	174,508	(386,763)

All premiums derive from business written in the United Kingdom.

3 Investment income

Interest receivable	603,193	364,587
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4 Profit/(loss) on ordinary activities before taxation

is stated, after charging the following amounts:

Auditors' remuneration	10,320	5,100
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No director received any remuneration from the company during the year.

Notes to the Financial Statements
For the year ended 31 December 1992

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	1992 £	1991 £
5 Taxation		
United Kingdom corporation tax at 33% (1991 33.25%)	237,408	(7,376)
Under/(over) provision relating to prior years	1,217	(2,030)
Transfer to deferred taxation account	19,234	-
	<u>257,859</u>	<u>(9,406)</u>
 6 Debtors		
Amounts owed by group undertakings	2,269,932	450,023
Deferred acquisition expenses	634,149	513,826
Accrued income	58,284	-
	<u>2,962,365</u>	<u>963,849</u>
All amounts shown under debtors fall due for payment within one year.		
 7 Investments		
Monies on deposit with banks and building societies	<u>6,789,003</u>	<u>4,948,612</u>
 8 Creditors amounts falling due within one year		
Amounts owed to group undertakings	148,707	300,511
Trade creditors	213,635	304,997
Corporation tax	225,040	70,594
Other creditors	33,995	-
	<u>621,377</u>	<u>676,102</u>
 9 Deferred taxation		
Short term timing differences	<u>19,234</u>	<u>-</u>
There is no unprovided deferred tax.		
 10 Accruals and deferred income		
Unearned premiums	<u>4,956,012</u>	<u>3,101,456</u>

Notes to the Financial Statements
For the year ended 31 December 1992

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11 Share Capital

	Authorised		Allotted, called up, and fully paid	
	1992	1991	1992	1991
	£	£	£	£
Ordinary shares of £1 each	10,000,000	3,000,000	3,500,000	2,000,000

On 4 December 1992 the authorised share capital of the company was increased to 10,000,000 ordinary shares of £1 each, and 1,500,000 shares were issued at par. Subsequent to the year end, an additional 1,000,000 ordinary shares of £1 each were issued at par on 1 March 1993. The shares were issued to finance the ongoing requirements of the business.

12 Profit and loss account

	1992	1991
	£	£
At beginning of year	134,903	147,673
Profit(loss) for the year	519,842	(12,770)
At end of year	654,745	134,903

13 Parent company

The ultimate parent company is The Royal Automobile Club Limited (by guarantee) which is registered in England.

14 Cash flow

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 1, "Cashflow Statements", not to produce a cashflow statement as it is a wholly owned subsidiary. A group cashflow statement is included in the financial statements of The Royal Automobile Club Limited (by guarantee).

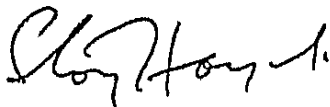
*Report of the Auditors
For the year ended 31 December 1992*

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To the Members of RAC Insurance Limited

We have audited the financial statements on pages 2 to 6 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1992 and of the profit for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.



Stoy Hayward
Chartered Accountants and Registered Auditor
London

31 March 1993